Supreme Court, U.S.
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No. _____

In the
Supreme Court of the United States

CITICORP MORTGAGE COMPANY INC., &
LUIS SORO

Petitioner,

v.

CITICORP

Respondents.

On Petition For Writ Of Certiorari
To The United States Court Of Appeals
For The Eleventh Circuit

PETITION FOR WRIT OF CERTIORARI

Luis Soro President
CITICORP MORTGAGE CO. INC.,
INVENTOR, CREATOR, DESIGNER.
FABRICATOR, DEVELOPER,
CULTIVATOR, AND THE FIRST
USER OWNER SINCE JANUARY 05,
1976 THE TRADENAME CITIGROUP
MORTGAGE COMPANY
P,O, Box 398142
Miami Beach, Fl. 33239-8142

(305) 354-4573

Appendix

Report and Recommendation of
Magistrate Judge Andrea M.
Simonton Filed March 26, 2003. . . . 1

UNITED STATES DISTRICT COURT
SOUTHERN CISTRICT OF FLORIDA

CASE NO. 83-2960=CIV-LENARD/SIMONTON

CITICORP,

Plaintiff,

v.

CITICORP MORTGAGE COMPANY, INC., and LUIS SORO,

Cefendants.

REPORT RECOMMENDING THAT THE PLAINTIFF'S MOTION TO FIND LUIS SORO IN CONTEMPT OF COURT BE GRANTED

This Cause is before the Court upon the Plaintiff's Motion to find Luis Soro in Contempt of Court (DE# 173, filed 4/3/02). The Honorable Joan A. Lenard, United States District Judge, refered the Motion to the undersigned Magistrate Judge to take all necessary and proper action as required by law. (DE#s 180 and 181). Soro has filed a Response. (DE# 206). He has also filed a Motion to Strike Plaintiff's Motion to Find Contempt (DE# 182), a Motion to Clarify Date of Mailing and Motion to Dismiss Case (DE# 195), and a Motion to Dismiss Case for lack of Jurisdiction (DE# 196), which are construded as supplemental responses to the pending Motion (Order

entered 3/25/03). An evidentiary hearing on the Motion was held on March 10, 2003. This matter is ripe for review.[1]

I. BACKGROUND

On or about January 13, 1087, Citicorp filed a four-count First Amended Complaint against Citicorp Mortgage Company, Inc., and Luis Soro, alleging infringment of federally registered marks (Count I), false designation of origin under the Lanham Act (Count II), unfair competition (Count III), and injury to business reputation (Count IV). In support of the Complaint, Citicorp alleged that it was a publicly held corporation, traded on the

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[1]The following pleadings also contain information which is relevant to the resolution of the contempt motion: the Defendant's Motion to Strike Affidavits (DE#s 184, 186, 187, 189), the Defendant's Motion for a Court Ruling (DE# 207), the Defendant's Amended Motion for the Court to review Exhibits A & B and to Remind the Court that the case is Ripe (DE# 213), the Defendant's Motion to Correct the Record (DE# 222), and the Plaintiff's Responses thereto.

New York Stock Exchange, and the holding company for Citibank, N.A., which had over 200 branch banks operating at various locations. It was also the holding companies which offered a wide variaty of financial services, and had been identified in the financial community and by its customers as Citicorp.

From as early as October 21, 1971, the Plaintiff had used the coined name and mark "Citicorp" in interstate commerce to denote its financial services, and had continuously and actively engaged in providing financial services and related products. The Plaintiff engaged in extensive nationwide advertising of its services under the Citicorp mark, and expended substantial sums in advertising and promoting the Citicorp name. In 1976, the Plaintiff formally changed its name to "Citicorp". On April 4, 1974, Reg. No. 982,066 issued for the service mark "Citicorp". A second registration issued on March 28, 1977, Reg. No. 1,062,445, for the service mark Citicorp with a Compass Rose Design. Both were incontestable at the time of filing of the First Amended Complaint.

Soro and Citicorp Mortgage Company Inc., began using the "Citicorp" name after it had become generally recognized as being associated exclusively with the services of Citicorp. The Plainitff alleged in the Complaint that Soro and Citicorp Mortgage Company, inc., had

constructive knowledge of the Plaintiff's rights in, to and under the name and mark "Citicorp" since April 4, 1974, the date of the first registration. The Plaintiff further alleged that the Defendants had actual knowledge of the Plaintiff's rights, in, to and under the name and mark "Citicorp" since at least as early as September 23, 1982, when the Plaintiff requested Defendant Soro to select another name and mark.

On September 8, 1987, the Honorable Eugene P. Spellman, United States District Judge, entered Summary Final Judgement against both Defendant Citicorp Mortgage and Soro, and ordered that they be permanently enjoined and restrained from directly or indirectly:

> (a)using Citicorp as a part of a service mark, trademark, or trade name, alone or in combination with other words, names, styles, titles or marks in mortgage services or related activites or producing related publications.
>
> (b) using Citicorp as a part of a name or mark or using any other name or mark confusingly similar to Citicorp, in connection with any business which Defendents control own, or conduct;
>
> (c) holding themselves out as the owner of, or a person authorized to use Citicorp or a name confusingly similar thereto as a service mark, trademark or trade name;

(d) performing any actions or using any words, names, styles, titles or marks, which are likely to cause confusion, to cause mistake or to deceive; or to otherwise mislead the trade or public into believing that Plaintiff and Defendents are one and the same or are in some way connected; or that Plaintiff is a sponcer of Defendants; or that Defendants are in some manner affiliated or associated with or under the supervision or control of Plaintiff; or that the services of Defendants originate with Plaintiff or are conducted or offered with the approval, consent or authorization, or under the supervision of Plaintiff, or are likely in any way to lead the trade or the Public to associate Defendants with Plaintiff;

(e) using any words, names, styles, title or marks which create a likelihood of injury to the business reputation of Plaintiff, or a likelihood of misappropriation or dilution of Plaintiff's name and mark CITICORP and the goodwill associated therewith; and

(f) using any trade practice whatsoever, including those complained of herein, which tend to unfairly compete with or injure Plaintiff's business and goodwill attached thereto. (DE#s 68 and 175, Ex. 2).

Soro filed a pro se appeal on his his own behalf and on behalf of Citicorp Mortgage Company Inc., (DE# 70). Citicorp Mortgage's appeal was dismissed for lack of jurisdiction, because the corporation was not represented by counsel. (DE# 84). The Eleventh Circuit reversed the judgement with regard to Soro, because he was not given sufficient notice before summary judgment was entered. (id). Upon remand, the Court reconsidered the Motion for Summary Judgment, including new submissions by Soro, and again entered summary Judgment against Soro on October 6, 1988. In granting summary Judgment, the Court made the following findings of fact, inter alia:

1) Soro ha[d] used the name CITICORP MORTGAGE COMPANY, INC. since 1981 and [was] so registered with the Florida Secretary of State. At the time SORO formed his corporation and registered the name CITICORP MORTGAGE with the State of Florida, Plaintiff did not have a Florida office, although it was a nationally known business. Plaintiff did not directly enter the Florida market until 1984.

2) Plaintiff [had] used the name CITICORP since 1971 and officially changed its name to Citicorp in 1976. Plaintiff obtained its initial registration for CITICORP in 1974, and CITICORP and Design in 1977, both marks being incontestable. Plaintiff also own[ed] several composite marks that include[d] CITICORP.

(3) The mark "CITICORP" [was] not a generic word but [was] a combination of a fanciful word "citi" combined with the abbreviation for the word corporation, "corp". "CITICORP" is a fanciful word.

(4) The name CITICORP, as it appear[ed] by both the Plaintiff and SORO, [was] identical, although the logos accompanying the name differ[ed].

(5) Both the Plaintiff and Soro [were] presently engaged in the business of providing residential and commerical [sic] mortgages to customers in the Miami area. Both parties ha[d] an office in the [sic] Miami Beach and service that area.

(6) Both Plaintiff and SORO advertise[d] in the Miami area through the use of flyers, signage, newspaper inserts, business cars [sic], stationery and Yellow Pages listings.

(7) Actual confusion either exist[ed] or [was] likely to exist regarding the use of the name CITICORP by SORO. The name used by the Plaintiff and the name used by SORO [were] substantially identical. SORO ha[d] received both telephone calls and mail directed to Plaintiff. (DE#s 90 and 175; Ex.1).

The Court advised Soro that he had ten days from the date of the Order to comply with the instructions contained in the prior Summary Final Judgment (DE# 68) entered against him on September 8. 1987. (DE# 90). Following appellate proceedings not relavent here, the Summary Final Judgement was affirmed on July 15, 1991. (DE# 143).

In the meantime, Soro did not comply with the Summary Final Judgment, and he was found to be in contempt of court. (DE# 103). He was arrested on November 28, 1988. (DE# 105). After Soro

complied with the conditions of the Summary Final Judgment and purged himself of contempt, the Court quashed the Order holding Soro in contempt and expunged the the arrest. (DE#s 109 and 110).

More than ten years later, on January 5, 1999, Soro filed a Motion Advising Court of Change of Name, stating that he would be changing his corporate name back back to Citicorp Mortgage Company, based upon the Plaintiff's alleged abandonment of the the name Citicorp and the Plaintiff's use of the name Citigroup after the merger of Citicorp and Traveler's Group Inc., (DE# 161). The Motion was denied, based upon Soro's failure to present sufficient evidence to show the the Plaintiff had abandoned its trademark. (DE# 164).

II. THE MOTION TO FIND SORO IN CONTEMPT

The Plaintiff has now filed a motion to find Soro in contempt of court for violation of the permanent injunction injunction entered on October 7, 1988, based upon Soro's use of the names and marks Citigroup and Citicorp. In support of the motion, the Plaintiff asserts that it has obtained documentary evidence showing that Soro is using the mark CITIGROUP in connection with a mortgage brokerage business. The Plaintiff has

also filed several declarations in support of the Motion.

Lawrence J. Kettenbach, Jr. Esq., declares that he is the Vice-President Assistant Secretary and General Counsel-Litigation of CitiMortgage, Inc., a Delaware corporation headquartered in St. Louis, Missouri. He has been employed by CitiMortgage and/or its affiliates since May 1979, and his responsibilities include providing legal support for Citi Mortgage and assisting with the maintenance of the corporate records of CitiMortgage, which was formerly known as Citicorp Mortgage. Kettenbach avers that citicorp is wholly owned by Citigroup, Inc., which became the corporate parent of Citicorp on October 8, 1998, after the merger of Citicorp and Travelers Group, Inc., (DE# 169).

Karen Scott, a private investigator licensed in the State of Florida, averred that her investigation revealed that Soro is associated with Soro Mortgage Company International, Inc., and Soro Mortgage Company Inc., which are both registered with the Florida Secretary of State's Corporations Division office. Her investigation found no link between Soro and any entity named "Citigroup" in Florida Corporations records and no public records in Florida supporting Soro's contention that he has been doing business as Citigroup Mortgage. There were no records of such use as a corporate

name, no Fictitious Name Filings, and no licenses for businesses associated with Soro under the name Citigroup Mortgage Company. Scott also avers that in September 2001, an investigator traveled to 2743 West Atlantic Boulevard, Suite 21, Pompano Beach, Florida, and found no listing for Citigroup on the office directory or on the building intercom. The building directory listed a suite as occupied by Soro, Inc., and a Federal Express "attempted delivery " hang- tag revealed an attempt to deliver a package addressed to Citigroup. (DE# 171).

Anne Mosses, Assistant Secretary and Chief Trademark Counsel for Citigroup inc., and Citicorp submitted an affidavit stating that she is the chief trademark lawyer for Citigroup and is responsible for the filing and prosecution of all trademark and service mark applications for the marks comprised of or containing the term "CITI". She states that Citi corp is wholly-owned by Citigroup, which became the corporate parent of Citicorp on October 8, 1998, following the business combination between Citicorp and Travelers Group, Inc. Citigroup is a Delaware corporation, with its principal place of business in New York City, New York, and it is a world-renowned financial company. Its services include commercial banking, mortgage lending, brokerage and investment banking, credit card services, and insurance. Ms. Mosses further declared that the Citi

Citi marks have been used by Citigroup and its predecessors for decades, and that the Citi mark was first used in 1979 and registered in 1981. The Citigroup mark was first used in 1998 and registered on November 2, 2000 As of 1985, approximately 60 Citi marks were registered or had applications pending with the United States Patent and Trademark Office. At the time of her declaration, Citigroup's family of Citi and Citi-prefixed service marks and trademarks included over 140 marks. (DE# 171).

Although Soro contends that the above affidavits are irrelevant to this action, he has not challenged the thuth of the material allegations, and they are accepted by the Court.

The Plaintiff argues in the Motion that the use of the mark Citigroup is a clear violation of the injunction, because Citigroup is not a safe distance from the mark citicorp. It therefore seeks an Order 1) finding Soro's use of the name and mark citigroup or any other name or mark that includes the term CITI for banking, mortgage, or real estate services violates the injunction; 2) finding Soro in contempt; 3) enjoining Soro from prosecuting a pending

Cancellation Proceeding; 4) awarding Citicorp its reasonable attorney's fees and costs incurred in investigating and defernding the Cancellation Proceeding and in making this motion; and 5) awarding Citicorp Soro's profits, if any, fromhis use of CITIGROUP or any other CITI mark. (DE# 173). At the evidentiary hearing, the Plaintiff withdrew its request for an order enjoining Soro from prosecuting the Cancellation Proceeding and also advised The Court that the Cancellation Proceeding in the United States Patent and Trademark Office has been stayed as a result of these proceedings. The Plaintiff state that once an Order on the present Motion is entered, it will file the order with the Patent and Trademark Office and which should suffice to give them the relief they seek with respect to the Cancellation Proceeding.

111. SORO"S RESPONCE TO THE MOTION

In response to the Motion, Soro filed a Motion to strike Plaintiff's Motion to find Contempt, arguing that in 1988, he attempted to advice Judge Spellman that he was using the name Citigroup Mortgage for his mortgage banking business at that time, and that he has not used the name CITICORP since November 30, 1988. Soro subsequently filed a Motion to Clarify Date of Mailing and Motion to Dismiss Case, arguing that he had compliedwith the Order to cease and desist from using the

name CITICORP, and that a Cancellation Proceeding in opposition to the Plaintiff's use of the name CITIGROUP was before the United States Patent and Trademark Office. (DE# 195). Soro also filed a Motion to Dismiss Case for lack of Jurisdiction, arguing that the Motion, filed fourteen years after the case was filed, was untimely, and that many other companies use names beginning with "Citi" (DE# 196). In various pleadings and at the hearing, Soro has contended that the use of the name CITIGROUP does not violate the injunction, which he contends applies only to the name Citicorp.

IV. THE EVIDENTIARY HEARING

The Plaintiff did not call any witnesses at the evidentiary hearing, but rested instead upon the declaration and a compendium of exhibits filed in support of the Motion. Soro testified on his own behalf.

It is undisputed that Soro is using the name Citigroup Mortgage. Soro testified that he has been using the name since January 5, 1976, and that he was aware that he was enjoined from using another name that is "confusingly similar" to Citicorp. Soro testified that he tried to tell Judge Spellman that he was using the name Citigroup Mortgage, but he did not because Judge Spellman would not allow him to speak. He admitted that hehad filed documents with the Patent & Trademark Office stating that he did not use the name Citigroup until

1987, but claimed that he used this date rather that 1976 because he was refering to his use of his name in interstate commerce. Soro stated that when he filed the Motion Advising Court of Change of Name in 1999, in which he adviced the Court that the Plaintiff had begun to use the name Citigroup in palce of Citicorp, he did not mention his own use of the name Citigroup because he did not believe the use of the name Citigroup was at issue in this case.

When asked to provide evidence demonstrating the date he began using the CITIGROUP name, Soro had no direct evidence demonstrating the date that he began using the name. Citigroup Mortgage is not registered with the Secretary of State, and there are no licenses held by Soro for Citigroup Mortgage. When attempting to show the dates that he began using Citigroup Mortgage, Soro refered to flyers he submitted in support of the Cancellation Proceeding in the U.S. Patent and Trademark Office and tried to date the flyer by the address noted on the flyer. Notably, one of the flyers submitted to the Patent and Trademark office was for Citicorp Mortgage, with an address that Soro Purportedly was using between 1998 and 2001. Soro testified on cross-examination that the flyer was printed in error. He stated that it was an old flyer that he found in a file, on which he changed the

address, but inadvertently forgot to change the name. He testified that the flyer was not circulated.

Soro has not filed corporate tax returns for Citigroup Mortgage, and he did not list the business on his personal tax return. Soro testified that Citigroup Mortgage is not a mortgage broker, but a mortgage banker instead. It has never been licensed to be a mortgage broker. Although Soro testified that Citigroup Mortgage has in fact provided loans, he stated that only chattel mortgages for very small amounts have been given. All loans made by Citigroup Mortgage were with Soro's personal funds. He testified that Citigroup Mortgage has no assets; although the flyers indicate that mortgages for $10,000, $20,000, or $30,000 could be given, no such loans were ever given. He also testified that his use of the word "licensed" and his use of the words, "mortgage broker" in his flyer was a mistake, since he was neither licensed nor provided services as a mortgage broker. He claimed instead that he provided chattel mortgage banker services and that he did not need to be licensed to do so. Soro testified that he has no receipts or cancelled checks or other documentation to show that any actual business was done. No bank accounts in the name of Citigroup Mortgage

Company were ever opened, and Soro testified that any fees received for application or loan processing were placed in a petty cash funds. He did not know with certainty if any regular records of monies loaned were ever kept.

Soro also testified that he never tried to secure a trademark for the Citigroup name, because he thought he might be challenged by CIT GROUP, a different corporation that the Plaintiff.[2] He did, however, file an action with the U.S. Patant & Trademark Office against an alleged infringer, Scott Negley, and on February 14, 2001, obtained a default judgment from the Trademark Trial and Appeal Board with respect to this action (DE#213, Ex.C). Soro never registered Citigroup Mortgage Company as a fictitious name. He also never obtained an occupational licence to operate as Citigroup Mortgage Company. Soro claimed that he did not obtained such a licence because he had an occupational license for Soro Mortgage and that he only needed one license to operate out of one place of business.

V. THE COURT'S CONTEMPT POWER

District courts have inherent and statutory to enforce their Orders and to punish violators for contempt. Roadway Express, Inc., v. Piper, 447 U.S. 752,

764-765 (1980). Civil contempt is a "sanction imposed to compel obedience to a lawful court order or to provide compensation to a complaining party." New York State Nat. Organization for Woman v. Terry, 886 F.2d 1339, 1350 (2nd Cir. 1989), cert. denied, 495 U.S. 947 (1990). In a civil contempt proceeding, the petitioning party must demonstrate by clear and convincing evidence that the underlying order was violated. Howard Johnson Co., Inc., v. Khimmani, 892 F.2d 1512, 1516 (11th Cir. 1990). Once the moving party makes a prima facie showing of a violation of a court order, the alleged contemnor must show a "present inability to compel that goes beyond a mere assertion of inability;" ld., or he must show that the violation was based on a good faith and reasonable interpretation of the judgment. Wolfard Glassblowing Co. v. Vanbragt, 118 F.3d 1320, 1322 (9th Cir. 1987). Before holding a party in contempt for violating an injunction, the Court must find that the injunction was "clear and unambiguous." Powall v. Ward 643 F.2d 924, 931 (2nd Cir.) cert. denied. 454 U.S. 832 (1981). The propriety of an injuctive order is determined by inquiring into whether the the parties subject

thereto understood their obligations under the order. Planetary Motion, Inc. v. Techsplosion, Inc., 261 F.3d 1188, 1203 (11th Cir. 2001) ("appellate courts do not set aside injunctions under Rule 65 (d) 'unless they are so vaque that they have no reasonably specific Meaning.'")

In the Summary Final Judgment, the Court specifically enjoined Soro from using "any other name or mark confusingly similar to CITICORP," and performing any action or using any words, names, styles, titles or marks which are likely to cause mistake or to deceive or to otherwise mislead the trade or public into believing that Plaintiff and Defendants are one and the same or are in some way connected." (DE#s 68 and 175; Ex.2). The Injunction was clear and unambiguous that Soro was not to use any other name or mark that was "confusingly similar" to CITICORP or to use any words, names, titles or marks that would lead to the mistaken belief that Soro's company and the Plaintiff are one in the same. Further, Soro

2 See CIT Group, Inc., v. Citigroup 20 F. Supp. 2d. 775 (S.D.N.Y. 1998) (holding that Citicorp's use of Citigroup did not infringe on the plaintiff's use of CIT GROUP).

acknowledged at the evidentiary hearing that he was aware that he was not allowed to use any name that was confusingly similar to the CITICORP mark.

Soro argued that his use of the name Citigroup was not in violation of the permanent injunction because the name is different that Citicorp, and because he was using "Citigroup" both before the injunction was issued and before the Plaintiff began using the CITIGROUP mark. He also relied upon a list of names he filed of other businesses that used the CITI prefix (DE# 213, Ex. D)[3]. After consideration of the testimony at the evidentary hearing, the undersigned finds Soro's claim to be incredible. Soro's contention that he did not advise Judge Spellman of his use of the name Citigroup because he was not allowed to speak in court is likewise incredible. Soro zealously litigated this case. He was held incontempt of court and was even incarcerated for infringing the CITICORP mark. He knew that he could be held in

[3]A review of these examples, as well as the dictionary words recited in the hearing that begin with the letters "citi" demonstrates that there is no evidence that these uses are by companies which compete with the Plaintiff in the financial industry.

contempt for using a name confusingly similar to CITICORP, and he never, either in a pleading or in person, advised Judge Spellman of the use of the name Citigroup, even though the prefix for Citigroup is the same as CITICORP. Moreover, soon after the Plaintiff began using the name Citigroup, Soro filed a Motion Advising Court of Change of Name, stating that he intended to resume the use of "Citicorp", as he believed that it was abandoned by the Plaintiff. (DE# 161). Soro did not seek to enjoin the Plaintiff from using the Citigroup name, and he did not advise the Court that, at the time he filed the Motion, he was using the Citigroup name, and had been for several years.

The undersigned Magistrate Judge finds Soro's claim that he has been using "Citigroup" since January 5, 1976 to be incredible, and unsupported by any credible evidence. In addition, although it is unnecessary to this decisipon, the undersigned Magistrate Judge finds, by clear and convincing circumstantial evidence, that Soro began using the name Citigroup after the Plaintiff began using the name, and for the purpose of taking advantage of Plaintiff's name recognition.[2]

[2] The finding of the undersigned that Soro was not a credible witness regarding hisuse of the Citigroup name is based

Since it is undisputed that Soro has been using the name "Citigroup" as explained in more detail below, the issue is whether the name "Citigroup" is a safe distance from the name "Citicorp," which was the subject of the injunction in this case.

VI. THE SAFE DISTANCE RULE

The safe distance rule counsels that a defendant enjoined from using an infringing trademark must keep a safe distance from the mark upon which he previously infringed.

J. Thomas McCarthy states in his treatise, McCarthy on Trademarks and unfair Competition 30:21 (4th ed. 2003) that:

A trademark infringer, once caught in an act of contempt, should expect some fencing in. It should have its conduct carefully scrutinized in future use and should not be allowed to claim the same leniency accorded a good faith user who starts use of the mark which the enjoined defendant has shifted to. Otherwise, the enjoined defendant could simply make a tiny change and start a new trademark contest all over again in the context of the contempt hearing as to use of the "new" format.

[2] upon his demeanor at the hearing and the the numerous inconsistencies in his testimoney and in his filings with the U.S. Patent and Trademark Office brought out by the Plaintiff during cross-examination and argument at the evidentiary hearing.

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In a contempt hearing, the court should not start all over again to fully analyze the new version of the mark chosen by the defendant as if it were the trial of a lawsuit against the new version. Rather, the court must simply determine whether the terms of the injunction were violated by the new version chosen by the defendant. [citations omitted]

In Howard Johnson Co., Inc., v. Khimani, 892 F.2d 1512, 1516-1517 (11th Cir. 1990), the defendant was enjoined from using the words "Howard Johnson" or "Howard Johnson's" or the Howard Johnson quality stripe design service mark or the orange roof and blue cupola design service mark, or any colorable imitation" of the trade names and service marks. After the injuction was issued, the defendants continued to hold themselves out to the public as Howard Johnson franchises and continued to utilize the distinctive Howard Johnson orange roof and blue cupola. Following two motions to hold them in contempt for failure to cease and desist from their use of signage in the Howard Johnson name, the defendants eventually decided to operate under the name "H.J. Inns." This decision was based upon their desire to use a name that was close to Howard Johnson's name, but which they claimed would not be an infringement on the plaintiff's rights. The defendants painted "H.J. Inns" in white lettering

against a dark blue background on the former Howard Johnson Sign, which had displayed "HOWARD JOHNSON'S" in white letters on a light blue background. The Defendants also affixed the name "H.J. Inns" at other locations with removable black plastic on the marquee. The district court held the defendants in contempt, finding that this was a violation of the injunction.

In upholding the finding of contempt, the Eleventh Circuit held that a party who has been enjoined from infringing the trademark rights of another has a greater burden that a party who has not been previously enjoined. Howard Johnson, 892 F.2d at 1516-1517 (11th Cir. 1980): see also Tamko Roofing Products, Inc., v. Ideal Roofing Co., Ltd, 282 F. 3d 23, 40 (1st Cir. 2002). An infringer is "required to keep a safe distance away from the dividing line between violation of, and complince with, the injunction. [He] must do more than see how close [he] can come with safty to that which [he is] enjoined from doing." Howard Johnson, 892 F.2d at 1517, quoting Eskay Drugs v. Smith Kline & French Laboratories, 188 F. 2d 430, 432 (5th Cir. 1951). A party enjoined from infringing upon another's trademark is in violation of the injunction when the party subsequently uses a

different mark that is similar enough to the former mark that a reasonable person could find it to be a colorable imitation. Howard Johnson, 892 F.2d at 1516. The Court expressely rejected the Defendants' contention that they had made a good faith effort to comply with the injunction when they changed their name.

Therefore, it is not necessary that the marks be identical for there to be a determination of likelihood of confusing. See also Jellibeans, Inc., v. Skating Clubs of Georgia, Inc., 716 F.2d 833, 842 (11th Cir. 1983) (holding that there was a likelihood of confusion between service marks where the owner of roller ring designated as "Jellibeans," brought action for trademark infringement against the owner of a similar roller rink designated as "Lollipops," and affirming an Order enjoining the defendant from using name "Lollipopps" for its rink).

Soro has previously been found guilty of infringing the trademark rights of Citicorp, and his burden of avoiding an additional infringement is greater than it would be had he not previously infringed Citicorp's trademark. Under Howard Johnson Co. Inc., v. Khimani, Soro is required to keep a safe distance away from the Citicorp mark in order to comply with the injunction.

V11. SORO"S USE OF THE NAME CITI GROUP VIOLATES THE INJUNCTION

Judge Spellman specifically enjoined Soro from the following:

> using CITICORP as a part of a name or mark or using any other name or mark confusingly similar to CITICORP, in connection with any business which defendants conduct, own or control.

The Eleventh Circuit has enunciated a seven-part test to determine whether a mark is confusingly similar" or likely to cause consumer confusion. Lone Star Steakhouse & Saloon, Inc., v. Longhorn Steaks, Inc., 122 F. 3d 1379, 1382 (11th Cir. 1997). In determining the likelihood of confusion between the two marks, the Court must consider 1) the type of mark, 2) the similarity of mark, 3) the similarity of the products the mark represent, 4) the similarity of the parties retail outlets and customers, 5) the similarity of advertising media used, 6) the defendant's intent, and 7) actual confusion. Id. Of the seven factors, the type of mark and evidence of actual confusion are the two most important factors. Id.

Citigroup is but one of the many marks within the CITI family of marks,

which also includes Citicorp. (DE# 175; Exs. 9 and 10). The undersigned Magistrate Judge finds that the CITI family of marks is known worldwide for its banking and financial services, including mortgage lending. See Citi group Inc., v. City Holding Co., 171 F. Supp 2d 333 (S.D.N.Y. 2001); CIT Group v. Citicorp, 20 F. Supp 2d 775 (S.D.N.Y. 1998).

Soro's use of the name Citigroup Mortgage Company unquestionably meets the first, second, and third prong of the aforementioned test. Although there is no evidence of actual confusion, the fact that the names are identical and offer identical services suggests confusion. Soro has already litigated the use of the CITI mark in this case, and has been ordered to refrain from using any worda, names, or marks which are likely to cause confusion, or to otherwise mislead the trade or public into believing that he is in some way connected with the Plaintiff. His use of the the name Citigroup clearly demonstrates his intent to infringe upon the CITI mark.

After review of the record, the exhibits, and the testimony at the evidentiary hearing, the undersigned Magistrate Judge finds that Soro's use

of the name Citigroup Mortgage Company is not a safe distance from CITICORP. The name Citigroup Mortgage Company is confusingly similar to the name Citicorp Mortgage Company and the use of that name violates the permanent injunction. Moreover, it is clear from the record of Soro's failure to do anything to legitimize his business, that his decision to use the name Citigroup was made to order to utilize the reputation of the CITI family of marks. Soro's use of the name Citigroup Mortgage Company is likely to cause confusion, to cause mistake, or to otherwise mislead the public into believing that his company and the Plaintiff are one and the same or are in some way connected, which is also a violation of the injunction. Soro's use of the name Citigroup Mortgage Company is likely to cause injury to the Plaintiff's business reputation and the goodwill associated with the plaintiff, as Soro's company has no apparent ability to consummate the mortgage loans it advertises. [3] Soro's Citigroup Mortgage Company could unfairly compete with the

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[3] At the hearing, Soro testified that if he had obtained such business, he would affiliate with a financial institution that could provide the funds.

Plaintiff's business and the goodwill attached thereto.

Moreover, the undersigned rejects Soro's claim that he inadvertently copied a flyer with the name Citicorp Mortgage Company. Soro was specifically ordered to deliever up for destruction all stationery, business forms, signs advertisements, brochures, promotional materials and other written materials which bear the infringing name CITICORP or any name or mark confusingly similar to the Plaintiff's name and mark CITICORP, together with all plates, molds, matrices and other means and materials for making or reproducing same." (DE# 68). When hepurged himself of contempt, any flyer with the name Citicorp Mortgage Company should have been destroyed, so that his possession of such a flyer is in violation of the Summary Final Judgment. Even if one flyer was inadvertently preserved, Soro had a duty to avoid circulating the flyer. Instead, he submitted the flyer to the Patent and Trademark Office.

The Plaintiff has shown, and the undersigned finds, by clear and convincing evidence that Soro understood his obligation under the injunction, Soro has violated the injunction, that such violation was not based on a good

faith and reasonable interpretation of the injunction, and that Soro is in contempt of Court.

V111. SANCTIONS FOR VIOLATION OF THE INJUNCTION

The Plaintiff requests that, upon finding Soro to be in contempt, the Court enter an order awarding Citicorp its reasonable attorney's fees and costs incurred in investigating and defending the Cancellation Proceeding and in making this Motion and awarding Citicorp Soro's profits, if any from his use of Citigroup or any other CITI mark. Based upon the above findings and conclusions, and a review of the record as a whole, the undersigned concludes that the Plaintiff is entitled to this relief. Therefore, it is hereby

Recommended that the Plaintiff's Motion to find Luis Soro in Contempt of Court (DE# 173, Filed 4/3/02) be GRANTED, and that Soro be Ordered to immediately cease and desist from using the Citigroup name, to destroy all documents bearing that name, and to pay to the Plaintiff all profits earned as a result of the name Citigroup. It is further

RECOMMENDED that Soro be ordered to pay reasonable attorney's fees and the

cost of this litigation. It is further

RECOMMENDED that the parties be directed to confer within 10 days from the entry of an Order on this Report and Recommendation in an attempt to reach an agreement with respect to the above amounts to be paid. If no agreement is reached, Plaintiff shall file a motion to determine the amounts within 30 days from the entry of an Order on this Report and Recommendation.

Pursuant to S.D. Fla. Magistrate Judge Rule 4(b), the parties shall have ten days to file written objections to this Report and Recommendation. Failure to file objections timely shall bar the parties from attacking on appeal any factual findings contained herein. RTC v, Hallmark Builders, Inc., 996 F.2d 1144, 1149 (11th Cir. 1993); Loconte v. Dugger, 847 F.2d 745 (11th Cir.), cert. denied, U.S. 958 (1988).

DONE AND SUBMITTED in chambers at Miami, Florida, this 26 day of March, 2003.

ANDREA M. SIMONTON
UNITED STATES MAGISTRATE JUDGE